

Maritime Administration
National Defense Reserve Fleet (NDRF) Industry Day 22-May-18
Responses to Industry Questions

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This document will be updated periodically, as new questions are raised. Updates will be announced using FedBizOpps and will be posted on the MARAD website.

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General Questions:

1. How can my Companies be involved with the Navy Ship Modernization Efforts?

Response: The Secretary of the Navy is leading the Navy Ship Modernization Efforts and MARAD is supporting the Navy plan, as outlined in their Report to Congress, “The Sealift That the Nation Needs.” MARAD’s focus is the recapitalization of the (46) ships in the Ready Reserve Force, including service life extension of existing ships as well as the acquisition of up to (26) used ships, and recapitalization of a select number of NDRF ships. MARAD competitively solicits for goods and services, including those of small businesses, through the FedBizOpps.gov website.

2. Is there an on-going program that monitors/addresses fuel quality in the NDRF? If so, is it possible to obtain data on this program?

Response: MARAD’s contracted Ship Managers conduct fuel testing through an established program for the Ready Reserve Force ships within the larger NDRF. The service contract for fuel oil testing was competitively solicited through FedBizOpps. Select NDRF ships also participate in the fuel oil testing program.

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National Security Multi-Mission Vessel (NSMV) Questions:

1. What office within MARAD will manage the NSMV acquisition?

Response: The NSMV Design and Construction Program is led by the Office of Strategic Sealift.

2. What are the Jones Act requirements and in particular, how much imported steel can be used?

Response: The NSMV must “meet the requirements for and be issued a certificate of documentation and a coastwise endorsement.”

NSMV PROGRAM QUESTIONS –

3. Does MARAD intend to issue the Government design and a specification as a non-deviation bid package for a Detail Design & Construction competition?

Response: Requirements are still being defined. MARAD will follow commercial standard practices for this acquisition. A draft RFP is expected to be posted in August, followed by an industry day. All interested parties should monitor FedBizOpps for further developments.

4. How does MARAD intend to use the Government design for the NSMV?

Response: Requirements are still being defined. MARAD will follow commercial standard practices for this acquisition. A draft RFP is expected to be posted in August, followed by an industry day. All interested parties should monitor FedBizOpps for further developments.

5. To what extent will the shipyards be allowed to change the design in an effort to achieve production efficiencies?

Response: Requirements are still being defined. MARAD will follow commercial standard practices for this acquisition. A draft RFP is expected to be posted in August, followed by an industry day. All interested parties should monitor FedBizOpps for further developments.

6. To what extent will MARAD entertain changes to the design aimed at reducing cost (e.g. propulsion system changes, compartmentation changes, berthing arrangement changes)?

Response: Requirements are still being defined. MARAD will follow commercial standard practices for this acquisition. A draft RFP is expected to be posted in August, followed by an industry day. All interested parties should monitor FedBizOpps for further developments.

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7. To what degree are the current capabilities of the vessel solidified? Does MARAD intend to solicit input for additional requirements from other agencies and departments (e.g., NAVAIR, FEMA, NAVSEA, etc.)? If yes, when will the requirements and specification be final?

Response: The current capabilities can be considered solidified.

8. Since the MARAD design is only a guideline and the shipyard is responsible for its own design, will MARAD fund design work for qualified bidders.

Response: MARAD will award a contract to an experienced commercial company to deliver a ship with coastwise endorsement and which meets the key characteristics provided. Standard industry practices for the construction of the vessel(s) will be followed. MARAD will not fund a design competition.

9. When will MARAD make all documents available listed in the master document register?

Response: All the documents on the MDR will not be released publicly. U.S. Shipyards qualified to build ships of this size and complexity, that have built ships eligible for a coastwise endorsement, and companies with vessel construction management experience, that intend to compete to manage the construction of the NSMV, can request the documents and will be required to sign a non-disclosure agreement.

10. Will there be industry studies of the Government design aimed at generating alternate design ideas to reduce program cost and schedule?

Response: There is not an intent at this time to fund industry studies for alternative designs.

11. Please describe the expected program schedule for the lead and follow hulls as currently envisioned. How firm is the program schedule?

Response: MARAD's proposed schedule is for delivery of the first ship before the end of 2021 so that final outfitting and training can take place in the first part of 2022 to support a training cruise May 2022. Interested vendors are encouraged to advise MARAD of industry standard timelines to provide a more realistic date range if applicable.

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12. How will the program be administered? Will MARAD hire a commercial operating company to conduct the day to day activities of a shipbuilding program?

Response: MARAD will award a contract to an experienced commercial company to deliver a ship with coastwise endorsement and which meets the key characteristics provided. Standard industry practices for the construction of the vessel(s) will be followed.

13. Will the Navy have any involvement in NSMV program management?

Response: No.

14. How will MARAD engage with industry, beyond the industry day, to resolve issues with the ship specification prior to issuance of an RFP?

Response: Requirements are still being defined. MARAD will follow commercial standard practices for this acquisition. A draft RFP is expected to be posted in August, followed by an industry day. All interested parties should monitor FedBizOpps for further developments.

15. To what extent will the currently-practiced “commercial” model (e.g., utilizing international design standards, and internationally-sourced equipment and materials) for shipbuilding be allowed?

Response: Requirements are still being defined. MARAD will follow commercial standard practices for this acquisition. A draft RFP is expected to be posted in August, followed by an industry day. All interested parties should monitor FedBizOpps for further developments.

16. What will the US sourcing requirements be for the NSMV?

Response: The NSMV must be coastwise endorsed.

17. Will the NSMV be EAR controlled?

Response: No.

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18. Recognizing that multiple regulations will apply to NSMV (e.g., IMO, USCG Subchapter R, ABS SVR, etc.) and that questions of applicability and interpretation will inevitably arise where these overlaps or are inconsistent, how does MARAD plan to reconcile the requirements as part of its specification development process prior to awarding construction contract?

Response: ABS and USCG will be engaged in the development of a regulatory approval scheme for the NSMV that addresses the issue of overlapping regulations and which takes priority.

19. Does MARAD anticipate the ship will be enrolled into the USCG's Alternate Compliance Program (ACP)?

Response: The degree to which ACP is applied to the NSMV will be an outcome of the joint ABS/USCG regulatory approval scheme. The vessel will have a certificate of inspection as a *Public Nautical Schoolship* and classed as a *Special Purpose Vessel*.

20. Will ABS be acting in ACP capacity?

Response: The degree to which ACP is applied to the NSMV will be an outcome of the joint ABS/USCG regulatory approval scheme. The vessel will have a certificate of inspection as a *Public Nautical Schoolship* and classed as a *Special Purpose Vessel*.

21. The vessel's specification stated that the water carrying capacity would be for 14 days. This sounds short sighted considering that this vessel is being designed to be underway for at least 25 days (at 18 ktns for 11,000 nm). Will any water making equipment be installed that could be utilized once the onboard supply has been expended?

Response: The 14-day capacity reference is within regard to supplying water for 1,000 transient first responders when the ship is pierside. When the ship is underway in the open ocean it makes its own water, using a water purification system. The system is not typically used when the ship is in port or near to land.

NSMV ACQUISITION QUESTIONS –

22. What will the acquisition strategy be? RFP for a single ship, multiple ships under block-buy, single ship with options? Will it be an LPTA or best value competition?

Response: Requirements are still being defined. MARAD will follow commercial standard practices for this acquisition. A draft RFP is expected to be posted in August, followed by an industry day. All interested parties should monitor FedBizOpps for further developments.

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23. Please clarify the relationship between MARAD, the shipyard, and the construction manager. Will the prime contract be directly between MARAD and the shipyard with the construction manager performing an advisory/review/inspection role? Or will the construction manager hold the prime contract on behalf of MARAD and in turn subcontract with the shipyard?

Response: MARAD will award a contract to an experienced commercial company to deliver a ship with coastwise endorsement and which meets the key characteristics provided. Standard industry practices for the construction of the vessel(s) will be followed.

24. Who will sign the contract with the shipyard, MARAD or the Construction Manager?

Response: In accordance with section 3505 of P.L. 114-328, an entity other than MARAD will enter into a contract for the construction of the vessel. MARAD will contract with a commercial entity who will enter into a contract with the shipyard.

25. When does MARAD expect to publish a schedule of NSMV acquisition program milestone dates, including (a) issuing the draft RFP for comment; (b) releasing the formal RFP; (c) awarding a construction management contract; and if applicable, (d) awarding a ship construction contract?

Response: Milestone schedule will be included in the draft RFP expected in August.

26. How many ships will MARAD procure under the initial ship construction contract? Will all be firm, or will there be options?

Response: MARAD has funding to acquire one ship at this time. If provided additional funding MARAD will pursue the acquisition of more vessels.

27. What will the process be for completing the pre-contract specification development effort? In a commercial model the specification is reviewed in detail between the shipyard and the down-selected owner prior to contract signing and prior to further shipyard design development. In a government model, the specification is typically developed during an industry study period through specification reviews and reading sessions with all competitors. How will MARAD, industry, and the construction manager be involved during the development of the contract specification?

Response: MARAD will conduct this acquisition in accordance with industry best practices. The process will be clarified in the draft RFP and subsequent discussions with industry.

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28. What FAR provisions will flow down into the shipbuilding contract?

Response: Requirements are still being defined. MARAD will follow commercial standard practices for this acquisition. A draft RFP is expected to be posted in August, followed by an industry day. All interested parties should monitor FedBizOpps for further developments.

29. How strong will Buy American be enforced?

Response: MARAD will award a contract to an experienced commercial company to deliver a ship with coastwise endorsement and which meets the key characteristics provided. Standard industry practices for the construction of the vessel(s) will be followed.

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Strategic Sealift/Ready Reserve Force Questions:

1. What is the relationship between the MARAD initiative to recapitalize the RRF and the Navy's strategic sealift/CHAMP initiative, if any?

Response: The Navy has submitted a report to Congress entitled "The Sealift That the Nation Needs," which includes a three-phased approach to recapitalize the RRF and the ships within the Navy's Military Sealift Command surge sealift ships. MARAD supports the Navy's strategy which includes a requirement to extend the service life of existing RRF ships and an element to acquire used ships as a bridge to the new construction program.

2. What assumption was made in the Navy's 30-year shipbuilding study for the expected service life of all of the ships in the Ready Reserve Force?

Response: MARAD does not know the specific assumptions of Navy's 30-year shipbuilding plan, but can infer that the primary assumption for the *Sealift That the Nation Needs* report is that existing RRF ships can be maintained to near 60-years of service life. Acquiring used ships is a proven, cost effective means of recapitalizing the RRF, but acquiring used vessels for \$30M each is subject to widely varying vessel pricing and market conditions.

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NS SAVANNAH Decommissioning Questions:

1. The original plan for the NS SAVANNAH was to monitor her for radioactivity until 2031. Is the intent now to attempt to scrap her?

Response: The NS Savannah (NSS) is a licensed nuclear power plant regulated by the Nuclear Regulatory Commission (NRC). The NSS will remain licensed until the nuclear plant and associated components are dismantled, removed from the ship, and properly disposed under the NRC regulated process known as Decommissioning. The vessel was de-fueled in 1971 and under NRC requirements MARAD has 60 years in which to complete decommissioning of the containment vessel, reactor and associated components from the vessel and terminate the license. The timeclock for completing the NSS decommissioning began with the de-fueling of the vessel and terminates in December 2031. MARAD maintains the vessel in an NRC regulated state known as protective storage. NRC protective storage requires the vessel be securely berthed, safely maintained and continually monitored for radioactivity. MARAD has a longstanding organization onboard the vessel that ensures the vessel is secure at its current berth in Baltimore, MD, performs routine and required maintenance in support of protective storage and good marine practice and monitors radioactivity levels throughout the ship to protect workers and the public during vessel tours and special events.

The NRC process of decommissioning is separate from the disposal of the vessel itself. Decommissioning encompasses only those activities related to the physical removal of the nuclear power plant, associated components, and termination of the NRC license. Once the NRC terminates the license they will release the vessel back to MARAD free from regulatory oversight. MARAD intends to pursue various vessel dispositions including offering NSS for donation to a qualified public or non-profit organization, artificial reefing to a coastal state and finally recycling.

2. If so, is this going to involve radiological work?

Response: The process of decommissioning involves radiological characterization of non-radiological areas, and radiological areas throughout the NSS. Characterization provides the basis for planning, identifying the nature and level of residual contamination, cost estimating, management and disposal of radiological waste and radiological and environmental protections. Completion of radiological characterization on the NSS is a pre-requisite for the development of the overall decommissioning framework, solicitation and management of the industrial processes necessary to achieve license termination.

3. If so, do you expect private industry to provide this service?

Response: MARAD has already tasked a contractor to accomplish radiological characterization on the NSS.